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TO RUEHC/SECSTATE WASHDC IMMEDIATE 8362
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RUEHBS/AMEMBASSY BRUSSELS IMMEDIATE 0998
RUEHMD/AMEMBASSY MADRID IMMEDIATE 3852
RUEHFR/AMEMBASSY PARIS IMMEDIATE 0698
RUEHRO/AMEMBASSY ROME IMMEDIATE 0340
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SUBJECT: MOROCCO: TRANSPORTATION STRIKE BRINGS COUNTRY TO
A HALT

1. (SBU) SUMMARY: Morocco's labor unions brought much of commerce to a halt and caused widespread shortages of fuel and a substantial increase in food prices after a nine day strike in protest against the government of Morocco's (GOM) proposed reform to the traffic code. The strike which began on April 6 gained momentum and culminated in a near complete stoppage of deliveries and taxi services by the end of the week. The unions suspended the strike on April 15 after the GOM agreed to withdraw the offending code for further negotiations. Although stricter safety standards and greater government oversight of the transportation sector in the code were the spark that started the fire, some union observers point to posturing for the impending national labor elections in May as the true reason for the widespread success of the strike. END SUMMARY.

No, I Won't Wear My Seatbelt!

2. (SBU) Morocco's labor unions went on strike April 6 in protest of the GOM's new draft traffic code which recently moved a step closer to becoming law when it passed to the upper chamber of parliament for review. The new laws aim to increase the safety of the roads by increasing government oversight of the licensing and training of commercial drivers and their vehicles. The reforms also include a point system for drivers, a substantial increase in fines for moving violations, and jail sentences for death and injury resulting from reckless driving. Morocco has long suffered from a poor safety record on the road. The Ministry of Transportation estimates that every year traffic accidents in the kingdom kill more than 4,000 people, injure more than 7,000, and result in approximately \$239 million U.S. dollars in financial losses.

3. (SBU) The strike began in earnest Monday, April 6 when drivers abandoned their trucks in front of the entrance to Casablanca's port, effectively preventing the flow of any goods in or out of Morocco's largest seaport. Likewise, drivers of grands taxis, responsible for medium distance transport between towns and in the cities, blocked or slowed traffic on major arteries in the cities and on busy highways including the Casablanca-Rabat motorway. Many of the petits taxis, the backbone of

transport within the cities, did not initially participate in the strike but harassment, vandalism, and threats by the strikers culminated in a complete national transport stoppage on Saturday, April 18. A ConOff in Marrakech observed distraught tourists unable to catch their flights out of the country with not a single taxi on the road.

Economic Repercussions:

¶4. (U) The strikes took a heavy economic toll resulting notably in severe localized gasoline shortages and an increase in food prices. Although the country's only refinery in Mohammedia reported no shortage in production, as of April 11 approximately 90 percent of the country's gasoline stations reported a shortage of supply and many rationed distribution. The Oil Tankers Group of Morocco (Groupement des Petroliers du Maroc) informed the press that of the 1,800 service stations in the country only 380 were still in operation as of April 13.

¶5. (U) The delivery from production centers to cities of fruits and vegetables was equally affected, especially in Casablanca. The press reported increases in fruit and vegetable prices of 10 to 15 percent on average and in some cases a doubling or tripling of prices for staples such as

potatoes and tomatoes. Over the weekend of April 11-12, Casablanca's Mayor Mohammed Sajid reported that no trucks had reached the central fruit and vegetable wholesale market in days. Other industries have likewise suffered. Construction projects reportedly halted for lack of materials.

¶6. (U) Fish processors in Agadir and others involved in the export of food items abroad complained that the transport strike forced food exporters to pay penalties to their customers and risks cancellation of contracts with European distributors. On April 9, strikers blocked 25 refrigerated trucks carrying fruits at Guelmim en route from the Western Sahara to factories in Agadir resulting in the spoiling of some 400 tons of food. Vandalism, harassment and threats against drivers were widespread. The press reported the death of one striker who tried to block traffic in Temara, a coastal town south of Rabat.

¶7. (SBU) The port in Casablanca was initially kept in operation but at a 30 percent reduced capacity. In the final days of the strike, the ports in Casablanca and Agadir reportedly stopped all loading and unloading of goods. Business owners demanded that the GOM assume responsibility for storage fees at the ports. The American company Proctor and Gamble informed the Consulate General that its factories in Casablanca and Mohammedia had ceased operation since April 13 due to a shortage of raw material that were blocked at the port of Casablanca.

Union Politics: Pay No Attention to that Man behind the Curtain

¶8. (SBU) Karim Ghelleb, the Minister of Transport from the Istiqlal party, faced with crushing economic costs quickly sought to defuse tensions by proposing meetings with the unions, a suggestion which was rejected out of hand. Minister Ghelleb has come under intense criticism from the press and

has received little public support from his party. Prime Minister Fassi met with representatives of the trade unions on the evening of April 13 and offered to withdraw the draft law to allow for further review. By April 14 gasoline deliveries resumed thanks to security forces escorting the tankers to the service stations. On the same day, the police moved to restore order by unblocking Casablanca's main inter-city bus station and principal avenues by towing cars and arresting strikers. Preliminary reports from union and business contacts indicate that the strike was suspended on April 15.

¶9. (SBU) Mohammed Ansar, an Istiqlal party representative in the upper house of parliament, complained publicly that he did not understand the union's decision to strike given that the new traffic code has been under discussion for the past two years and has undergone more than 267 amendments and concessions. Mustapha Bakkoury, the General Director of the Deposit and Management Fund (Caisse de Depot et de Gestion) a quasi-public investment firm, told the Consul General that the government had brought on board all of the large unions before moving forward with the traffic reforms. According to Bakkoury, it was the small unions, who were not included in the government negotiations, which provoked the strike. As the strike gained momentum among drivers, the large confederations felt obliged to add their support lest they lose popularity in the run up to next month's union delegate elections. This May, for the first time in six years, laborers will vote for their union delegates. The outcome will determine the proportional representation of the five largest unions which represent the workers in collective bargaining talks with the government and the business community.

¶10. (SBU) COMMENT: Moroccan labor unions have been criticized by the Moroccan press for being weak, undemocratic and self-serving. They are undoubtedly no longer the major social force they were in the 1980s and labor strikes in recent years have been fractured, short-lived, and ineffective. It is unfortunate that this strike, which has rattled the government, has targeted much-needed road reforms. It appears that the large trade federations rushed to appease their members for the short-term political expediency of the upcoming elections rather than uphold their commitments to the government.
MILLARD